

## **Assembly Bill No. 115**

### **CHAPTER 20**

An act to amend Sections 16321 and 21130 of, and to add Section 54238.8 to, the Government Code, to amend Sections 6701, 6971, and 22161 of, and to add Section 20155.2 to, the Public Contract Code, to amend Sections 99312.1 and 99314.9 of the Public Utilities Code, to amend Sections 11050, 11051, 11053, and 60050 of the Revenue and Taxation Code, to amend Sections 2032, 2032.5, 2033.5, 2036, 2106, and 2382 of the Streets and Highways Code, and to amend Sections 4156, 9250.6, 12800.7, and 12811 of the Vehicle Code, relating to transportation, making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 27, 2017. Filed with  
Secretary of State June 27, 2017.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 115, Committee on Budget. Transportation.

(1) Existing law requires that a patrol member of the Public Employees' Retirement System (PERS) who is subject to specified benefit formulas be retired in the calendar month succeeding that in which he or she attains 60 years of age. Existing law, until January 1, 2018, exempts from this requirement a Commissioner of the California Highway Patrol, as specified, who was appointed on or after January 1, 2008.

This bill would continue this exemption until April 1, 2019.

(2) Existing law declares the intent of the Legislature to preserve, upgrade, and expand the supply of housing to persons and families of low or moderate income through the sale of specified surplus residential property owned by public agencies. Existing law establishes priorities and procedures that any state agency disposing of that surplus residential property is required to follow.

The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, existing property tax law defines "full cash value" as the assessor's fair market value valuation of real property as shown on the 1975-76 tax bill under "full cash value" or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. Existing property tax law generally defines this "full cash value" of property as the property's "fair market value" and defines these terms to mean the amount of cash or its equivalent that property would bring if exposed for sale in the open market under conditions in which neither buyer nor seller could take advantage of the exigencies of the other, and both the buyer and the seller have knowledge of all of the uses and

purposes to which the property is adapted and for which it is capable of being used, and of the enforceable restrictions upon those uses and purposes.

This bill would require surplus residential property purchased at an affordable price pursuant to the procedures described above to be assessed at its affordable price for property tax purposes. The bill would also require surplus residential property purchased at a reasonable price pursuant to the procedures described above to be assessed at its reasonable price for property tax purposes. The bill would provide that these provisions only apply to surplus residential properties originally acquired for the construction of State Route 710, in the County of Los Angeles.

By imposing new duties upon local government officials, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Los Angeles.

Existing law requires the state to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding those provisions, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

(3) Existing law authorizes the Department of Transportation to engage in a Construction Manager/General Contractor (CM/GC) project delivery method, as specified, for projects for the construction of a highway, bridge, or tunnel. Existing law authorizes the department to use the CM/GC method on no more than 12 projects, and requires at least 10 of those projects to have construction costs greater than \$10,000,000. Existing law prohibits the department from delegating the contracting authority. Existing law requires specified information provided to the department pursuant to these provisions to be verified under oath.

This bill would authorize the department to enter into a contract using this method on 12 additional projects. The bill would authorize 2 of those additional projects to be authorized for projects in the County of Riverside. The bill would authorize the department to delegate contracting authority for those 2 projects and would authorize the Riverside County Transportation Commission (RCTC) to use the CM/GC method for these projects, with the first priority for projects listed in a specific item of the Budget Act of 2016, as amended. By expanding the authorization to use this method, the bill would expand the scope of the crime of perjury, thus imposing a state-mandated local program.

(4) Existing law authorizes regional transportation agencies, as defined, to use the CM/GC project delivery method, as specified, to design and construct certain expressways that are not on the state highway system if there is an evaluation of the traditional design-bid-build method of construction and of the CM/GC method and the board of the regional transportation agency adopts the method in a public meeting. Existing law defines the term “project” for these purposes to mean either the construction of an expressway that is not on the state highway system or the construction

of specified bridges that are not on the state highway system. Existing law defines the term “regional transportation agency” for these purposes to include a joint powers agency established pursuant to the Joint Exercise of Powers Act and with the consent of a transportation planning agency or a county transportation commission for the jurisdiction in which the transportation project will be developed.

This bill would include in the definition of “project” the construction of railroad grade separations and bridge rehabilitations and replacements in the County of Riverside, as specified in a specific item of the Budget Act of 2016, as amended. The bill would include the County of Riverside in the definition of the term “regional transportation agency.”

(5) The Local Agency Public Construction Act, until January 1, 2020, establishes a pilot program to allow the Counties of Alameda, Los Angeles, Riverside, San Bernardino, San Diego, Solano, and Yuba to select a bidder on the basis of best value, as defined, for specific construction projects.

This bill would authorize each of those counties, if the county is also responsible for delivery of a project included in a specific item of the Budget Act of 2016, as amended, to utilize the cost-plus-time bidding procedure for any of the projects specified in that budget item. The bill would define “cost-plus-time” bidding for that purpose.

(6) Existing law, until January 1, 2025, authorizes local agencies to use the design-build procurement process for public works projects. Existing law defines “local agency” as cities and counties, certain special districts relating to wastewater, solid waste, water recycling, and fire protection facilities, various governmental entities responsible for the construction of transit projects, and the San Diego Association of Governments. Existing law defines “project” specifically for each described category of local agency. Existing law defines “project” for cities and counties to mean the construction of a building or buildings and improvements directly related to the construction of a building or buildings, county sanitation wastewater treatment facilities, and park and recreational facilities, but excludes the construction of other infrastructure, including, but not limited to, streets and highways, public rail transit, or water resources facilities and infrastructure. Existing law defines “project” for transit entities to mean a transit capital project that begins a project solicitation on or after January 1, 2015, and excludes state highway construction or local street and road projects.

This bill would expand the project definitions for cities and counties and for transit districts, for up to 6 projects to be selected by the department, to include construction or rehabilitation of local streets and roads, including, but not limited to, bridge replacement and railroad grade separations. The bill would require 3 projects to be reserved for and selected by the RCTC, with the first priority for the projects listed in a specific budget item of the Budget Act of 2016, as amended.

(7) The contracting provisions of the County Transportation Commissions Act require that the purchase by the RCTC, of all supplies, equipment, and materials, and the construction of all facilities and works, in excess of \$25,000, be by contract let to the lowest responsible bidder.

Existing law amends the Budget Act of 2016 to add an item of appropriation from the State Highway Account to the department for local assistance for the Riverside County Transportation Efficiency Corridor and establishes a schedule of funds for specific projects.

This bill would authorize the implementation of the 91 Toll Connector to Interstate 15 North project through any delivery method authorized in law, including, but not limited to, the design-build method or CM/GC method. The bill would additionally authorize that project to be implemented through an amendment or change to any existing contract for the Interstate 15 express lanes construction project or the State Highway Route 91 express lanes, if the RCTC, with the concurrence of the department, finds that to be a cost-effective method to accelerate the delivery of that project.

(8) This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Riverside.

(9) Existing law, the Road Repair and Accountability Act of 2017, establishes a comprehensive transportation funding program by increasing fuel taxes and imposing certain vehicle fees. Existing law provides for certain of the new revenues to be deposited in the Road Maintenance and Rehabilitation Account, the Public Transportation Account, or the State Highway Account to be used for specified transportation purposes. Existing law imposes various duties on the Controller in that regard. Existing law also imposes various duties on the Controller with respect to administration of the State Transit Assistance Program.

This bill would modify certain duties of the Controller relative to the Road Maintenance and Rehabilitation Account and the State Transit Assistance Program. The bill would also correct a number of erroneous cross-references and make other nonsubstantive changes.

(10) The Road Repair and Accountability Act of 2017 continuously appropriates \$200,000,000 annually from the Road Maintenance and Rehabilitation Account for allocation by the California Transportation Commission to counties that have sought and received voter approval of taxes or that have imposed certain fees, which taxes or fees are dedicated solely to transportation improvements.

This bill would instead refer to local or regional transportation agencies rather than counties. The bill would provide that funds made available to those transportation agencies by the California Transportation Commission may be used for other transportation improvement projects in addition to road maintenance and rehabilitation. By modifying the agencies eligible for an allocation of these funds and the authorized purposes for which these funds may be used, the bill would thereby make an appropriation.

(11) Existing law creates the Active Transportation Program in the Department of Transportation for the purpose of encouraging increased use of active modes of transportation, such as biking and walking, with specified available funds to be awarded to eligible projects by the California Transportation Commission and regional transportation agencies. Existing law requires the California Transportation Commission to adopt a program

of projects by April 1 of each odd-numbered year and requires the commission to adopt guidelines for the program.

This bill would require the guidelines adopted by the commission to authorize an implementing agency to expend its own funds in advance of an allocation of funds to the project by the commission and to subsequently be reimbursed for eligible expenditures if the agency, for a project programmed in a future fiscal year, receives commission approval in the form of a letter of no prejudice.

(12) Existing law prohibits a person from driving, moving, or leaving standing upon a highway any motor vehicle, as defined, that has been registered in violation of provisions regulating vehicle emissions.

Existing law, beginning January 1, 2020, requires the Department of Motor Vehicles to confirm, prior to the initial registration or the transfer of ownership and registration of a diesel-fueled vehicle with a gross vehicle weight rating of more than 14,000 pounds, that the vehicle is compliant with, or exempt from, applicable air pollution control technology requirements, pursuant to specified provisions. Existing law requires the department to refuse registration, or renewal or transfer of registration, for certain diesel-fueled vehicles, based on weight and model year, that are subject to specified provisions relating to the reduction of emissions of diesel particulate matter, oxides of nitrogen, and other criteria pollutants from in-use diesel-fueled vehicles. Existing law authorizes the department to allow registration, or renewal or transfer of registration, for any diesel-fueled vehicle that has been reported to the State Air Resources Board, and is using an approved exemption, or is compliant with applicable air pollution control technology requirements, pursuant to specified provisions.

Existing law authorizes the department, in its discretion, to issue a temporary permit, for a fee of \$50, to operate a vehicle when a payment of fees has been accepted in an amount to be determined by the department and paid to the department by the owner or other person in lawful possession of the vehicle. Existing law also authorizes the department to issue a temporary permit to operate a diesel-fueled vehicle for which registration is otherwise required to be refused.

This bill would exempt the diesel-fueled vehicles issued a temporary permit from payment of the \$50 fee.

(13) Existing law imposes a vehicle improvement fee under the Vehicle License Fee Law, but exempts certain vehicles from payment of the fee, including commercial vehicles with an unladen weight of more than 10,000 pounds.

This bill would also exempt a vehicle issued apportioned registration pursuant to the International Registration Plan from payment of the fee.

(14) Existing law defines “zero-emission vehicle” for purposes of the road improvement fee imposed by the Road Repair and Accountability Act of 2017 on zero-emission vehicles.

This bill would revise the definition of zero-emission vehicle to exclude from the definition any other motor vehicle that is able to operate on any fuel other than gasoline or diesel fuel. The bill would also exempt from the

fee a vehicle issued apportioned registration pursuant to the International Registration Plan.

(15) Existing law requires the Department of Motor Vehicles to issue a driver's license to an applicant when the department determines that the applicant is lawfully entitled to a license, and requires the license to contain, among other things, the mailing address of the licensee. Upon application for an original or duplicate license, existing law authorizes the department to require an applicant to produce any identification that it determines necessary in order to ensure that the name of the applicant stated in the application is his or her true, full name and that his or her residence address as set forth in the application is his or her true residence address.

This bill would require a driver's license to contain either the mailing address or residence address of the licensee. The bill would authorize the department to require an applicant to produce any identification for the above-specified purposes upon application for a renewal of a driver's license in addition to an application for an original or duplicate license.

(16) Existing law provides that guidelines adopted to implement transportation programs pursuant to the Road Repair and Accountability Act of 2017 by the California Transportation Commission, the Department of Transportation, the Transportation Agency, or any other state agency shall be exempt from the Administrative Procedure Act.

This bill would require any guidelines of the Department of Transportation or the Transportation Agency to implement the Road Repair and Accountability Act of 2017 to be adopted only after the implementing state agency has posted formal draft guidelines on the agency's Internet Web site and conducted at least 2 public workshops or hearings on formal draft guidelines no sooner than 30 days after the formal draft guidelines are posted. The bill would also require the implementing state agency to transmit the formal draft guidelines to the fiscal committees and to the appropriate policy committees of the Legislature.

(17) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(18) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 16321 of the Government Code is amended to read:

16321. The amount of outstanding loans made pursuant to Section 14556.8 is seven hundred six million dollars (\$706,000,000). This amount shall be repaid from the General Fund pursuant to subdivision (c) of Section 20 of Article XVI of the California Constitution no later than June 30, 2020, and upon repayment of this amount all loans authorized pursuant to Section 14556.8 and any associated interest shall be deemed repaid. The loans shall be repaid proportionately and in equal installments over three years. The Department of Finance shall prepare a loan repayment schedule, pursuant to which the outstanding loans shall be repaid by June 30, 2020, as follows:

(a) Two hundred fifty-six million dollars (\$256,000,000) for transfer to the Public Transportation Account, to be allocated as follows:

(1) Up to twenty million dollars (\$20,000,000) to local and regional agencies for climate change adaptation planning.

(2) The remainder to the Transit and Intercity Rail Capital Program as authorized in Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code.

(b) Two hundred twenty-five million dollars (\$225,000,000) for transfer to the State Highway Account, for the State Highway Operation and Protection Program.

(c) Two hundred twenty-five million dollars (\$225,000,000) is hereby continuously appropriated without regard to fiscal year to the Controller for apportionment to cities and counties for local streets and roads pursuant to the formula in clauses (i) and (ii) of subparagraph (C) of paragraph (3) of subdivision (a) of Section 2103 of the Streets and Highways Code.

SEC. 2. Section 21130 of the Government Code, as amended by Section 3 of Chapter 778 of the Statutes of 2013, is amended to read:

21130. (a) Except as provided in subdivision (b), every patrol member subject to Section 21362, 21362.2, or 21363.1, as applicable, shall be retired on the first day of the calendar month succeeding that in which he or she attains the age of 60 years.

(b) Subdivision (a) does not apply to a Commissioner of the California Highway Patrol, as specified in Section 2107 of the Vehicle Code, appointed on or after January 1, 2008.

(c) This section shall remain in effect only until April 1, 2019, and as of that date is repealed.

SEC. 3. Section 21130 of the Government Code, as added by Section 4 of Chapter 778 of the Statutes of 2013, is amended to read:

21130. (a) Every patrol member subject to Section 21362, 21362.2, or 21363.1, as applicable, shall be retired on the first day of the calendar month succeeding that in which he or she attains the age of 60 years.

(b) This section shall be operative April 1, 2019.

SEC. 4. Section 54238.8 is added to the Government Code, to read:

54238.8. (a) Any surplus residential property purchased at an affordable price pursuant to this article shall be assessed at its affordable price for property tax purposes.

(b) Any surplus residential property purchased at a reasonable price pursuant to this article shall be assessed at its reasonable price for property tax purposes.

(c) This section shall only apply to surplus residential properties for State Route 710, in the County of Los Angeles.

SEC. 5. Section 6701 of the Public Contract Code is amended to read:

6701. (a) The Construction Manager/General Contractor method provided by this chapter may be used by the department, but is not limited to, when it is anticipated that it will reduce project costs or expedite project completion in a manner that is not achievable through the design-bid-build method. Notwithstanding any other law, for projects utilizing the Construction Manager/General Contractor method provided by this chapter, the department shall advertise, award, and administer the Construction Manager/General Contractor contract. The department shall not delegate the contracting authority, except for the two projects reserved for projects in the County of Riverside as provided for in paragraph (2) of subdivision (b).

(b) (1) The department may use the Construction Manager/General Contractor method on no more than 12 projects, at least 10 of which shall have construction costs greater than ten million dollars (\$10,000,000).

(2) In recognition of the additional transportation funds made available by the Road Repair and Accountability Act of 2017 (Chapter 5 of the Statutes of 2017), and to accelerate the delivery of transportation projects to the public, the department may use the Construction Manager/General Contractor method on no more than 12 projects in addition to the projects authorized by paragraph (1). Consistent with Provision 2 of Item 2660-110-0042 of Section 2.00 of the Budget Act of 2016, as amended by Chapter 7 of the Statutes of 2017, two of the additional projects shall be authorized for projects in the County of Riverside and the Riverside County Transportation Commission may use the Construction Manager/General Contractor method for these projects, with the first priority for the projects listed in that budget item.

(c) On at least 16 of the projects delivered by the department utilizing the Construction Manager/General Contractor method provided by this chapter, the department shall use department employees or consultants under contract with the department to perform all project design and engineering services related to design required for Construction Manager/General Contractor project delivery consistent with Article XXII of the California Constitution. On all projects delivered by the department, the department shall use department employees or consultants under contract with the department to perform all construction inspection services required for Construction Manager/General Contractor project delivery consistent with Article XXII of the California Constitution. Department resources, including personnel requirements, necessary to perform all services described in this



subdivision shall be included in the department's capital outlay support program for workload purposes in the annual Budget Act.

(d) (1) The department shall prepare and submit to the Legislature, no later than July 1 of each year during which any project using the Construction Manager/General Contractor method is ongoing, a report that describes each project and provides relevant data, including, but not limited to, the stage of completion, district, cost, description, status, and estimated time to completion.

(2) The department shall prepare and submit to the Legislature, no later than July 1 of the year after any project using the Construction Manager/General Contractor method has been completed, a report that includes, in addition to the data in paragraph (1), all of the following:

(A) Data on initial cost estimates, actual cost upon completion, and the reasons for any difference.

(B) Estimated time for completion, actual time of completion, and the reasons for any difference.

(C) The number and dollar value of any change orders for all projects completed using the Construction Manager/General Contractor method.

(e) (1) A report to be submitted pursuant to subdivision (d) shall be submitted in compliance with Section 9795 of the Government Code.

(2) Notwithstanding Section 10231.5 of the Government Code, the requirement for submitting a report imposed under subdivision (d) is inoperative on July 1 of the year following the submission of the final report upon completion of the fourth project of the department that uses the Construction Manager/General Contractor method.

SEC. 6. Section 6971 of the Public Contract Code is amended to read:

6971. (a) The Legislature finds and declares that the County of Riverside should be considered a transportation planning agency for the purposes of this chapter in order to effectuate the construction of the railroad grade separations and bridge rehabilitations and replacements specified in subparagraph (C) of paragraph (4) of subdivision (b) using Construction Manager/General Contractor authority. The passage of the Road Repair and Accountability Act of 2017 (Chapter 5 of the Statutes of 2017) provides additional transportation revenue to help close the significant funding shortfalls and address the substantial backlog of infrastructure projects that are in need of repair. The geography, topography, and location of these railroad grade separations and bridge rehabilitations and replacements projects present many potential complex challenges, and the Construction Manager/General Contractor method could reduce delays and ensure that those challenges are fully understood at the outset of construction.

(b) For purposes of this chapter, the following definitions apply:

(1) "Construction manager" means a partnership, corporation, or other legal entity that is able to provide appropriately licensed contracting and engineering services as needed pursuant to a Construction Manager/General Contractor method contract.

(2) "Construction Manager/General Contractor method" means a project delivery method in which a construction manager is procured to provide

preconstruction services during the design phase of the project and construction services during the construction phase of the project. The contract for construction services may be entered into at the same time as the contract for preconstruction services, or at a later time. The execution of the design and the construction of the project may be in sequential phases or concurrent phases.

(3) “Preconstruction services” means advice during the design phase, including, but not limited to, scheduling, pricing, and phasing to assist the regional transportation agency to design a more constructible project.

(4) “Project” means any of the following:

(A) The construction of an expressway that is not on the state highway system.

(B) The construction of the following bridges that are not on the state highway system:

(i) Yerba Buena Island (YBI) West Side Bridges Seismic Retrofit Project.

(ii) Yankee Jims Road Bridge Project in the County of Placer (Replacement/Rehabilitation).

(C) The construction of railroad grade separations and bridge rehabilitations and replacements in the County of Riverside, as specified in Item 2660-110-0042 of Section 2.00 of the Budget Act of 2016, as amended by Chapter 7 of the Statutes of 2017.

(5) “Regional transportation agency” means any of the following:

(A) A transportation planning agency described in Section 29532 or 29532.1 of the Government Code.

(B) A county transportation commission established under Section 130050, 130050.1, or 130050.2 of the Public Utilities Code.

(C) Any other local or regional transportation entity that is designated by statute as a regional transportation agency.

(D) A joint exercise of powers authority established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, with the consent of a transportation planning agency or a county transportation commission for the jurisdiction in which the transportation project will be developed.

(E) A local transportation authority created or designated pursuant to Division 12.5 (commencing with Section 131000) or Division 19 (commencing with Section 180000) of the Public Utilities Code.

(F) The Santa Clara Valley Transportation Authority established pursuant to Part 12 (commencing with Section 100000) of Division 10 of the Public Utilities Code.

(G) The County of Placer.

(H) The County of Riverside.

(c) Nothing in this section shall extend any other authority to the County of Riverside as a transportation planning agency under any other law.

SEC. 7. Section 20155.2 is added to the Public Contract Code, to read:

20155.2. (a) If a county as defined by Section 20155.1 is also responsible for delivery of a project included in Item 2660-110-0042 of Section 2.00 of the Budget Act of 2016, as amended by Chapter 7 of the Statutes of 2017,

that county may utilize the “cost-plus-time” bidding procedure, also known as “A+B Bidding,” under this chapter for any of the projects specified in that budget item.

(b) “Cost-plus-time bidding” means a competitive procurement process that uses a cost parameter (A) and a time parameter (B) to determine a bid value.

SEC. 8. Section 22161 of the Public Contract Code is amended to read:

22161. For purposes of this chapter, the following definitions apply:

(a) “Best value” means a value determined by evaluation of objective criteria that relate to price, features, functions, life-cycle costs, experience, and past performance. A best value determination may involve the selection of the lowest cost proposal meeting the interests of the local agency and meeting the objectives of the project, selection of the best proposal for a stipulated sum established by the procuring agency, or a tradeoff between price and other specified factors.

(b) “Construction subcontract” means each subcontract awarded by the design-build entity to a subcontractor that will perform work or labor or render service to the design-build entity in or about the construction of the work or improvement, or a subcontractor licensed by the State of California that, under subcontract to the design-build entity, specially fabricates and installs a portion of the work or improvement according to detailed drawings contained in the plans and specifications produced by the design-build team.

(c) “Design-build” means a project delivery process in which both the design and construction of a project are procured from a single entity.

(d) “Design-build entity” means a corporation, limited liability company, partnership, joint venture, or other legal entity that is able to provide appropriately licensed contracting, architectural, and engineering services as needed pursuant to a design-build contract.

(e) “Design-build team” means the design-build entity itself and the individuals and other entities identified by the design-build entity as members of its team. Members shall include the general contractor and, if utilized in the design of the project, all electrical, mechanical, and plumbing contractors.

(f) “Local agency” means the following:

(1) A city, county, or city and county.

(2) A special district that operates wastewater facilities, solid waste management facilities, water recycling facilities, or fire protection facilities.

(3) Any transit district, included transit district, municipal operator, included municipal operator, any consolidated agency, as described in Section 132353.1 of the Public Utilities Code, any joint powers authority formed to provide transit service, any county transportation commission created pursuant to Section 130050 of the Public Utilities Code, or any other local or regional agency, responsible for the construction of transit projects.

(4) The San Diego Association of Governments, as referenced in the San Diego Regional Transportation Consolidation Act (Chapter 3 (commencing with Section 132350) of Division 12.7 of the Public Utilities Code).

(g) (1) Except as specified in subdivision (h), for a local agency defined in paragraph (1) of subdivision (f), “project” means the construction of a

building or buildings and improvements directly related to the construction of a building or buildings, county sanitation wastewater treatment facilities, and park and recreational facilities, but does not include the construction of other infrastructure, including, but not limited to, streets and highways, public rail transit, or water resources facilities and infrastructure. For a local agency defined in paragraph (1) of subdivision (f) that operates wastewater facilities, solid waste management facilities, or water recycling facilities, “project” also means the construction of regional and local wastewater treatment facilities, regional and local solid waste facilities, or regional and local water recycling facilities.

(2) For a local agency defined in paragraph (2) of subdivision (f), “project” means the construction of regional and local wastewater treatment facilities, regional and local solid waste facilities, regional and local water recycling facilities, or fire protection facilities.

(3) Except as specified in subdivision (h), for a local agency defined in paragraph (3) of subdivision (f), “project” means a transit capital project that begins a project solicitation on or after January 1, 2015. A “project,” as defined by this paragraph, that begins the solicitation process before January 1, 2015, is subject to Article 6.8 (commencing with Section 20209.5) of Chapter 1. “Project,” as defined by this paragraph, does not include state highway construction or local street and road projects.

(4) For a local agency defined in paragraph (4) of subdivision (f), “project” has the same meaning as in paragraph (3), and in addition shall include development projects adjacent, or physically or functionally related, to transit facilities developed or jointly developed by the local agency.

(h) In recognition of the additional transportation funds made available by the Road Repair and Accountability Act of 2017 (Chapter 5 of the Statutes of 2017), and to accelerate the delivery of transportation projects to the public, in addition to the authority provided in other subdivisions of this section, for a local agency defined in paragraph (1) or (3) of subdivision (f), for up to six projects to be selected by the Department of Transportation, a “project” also means construction or rehabilitation of local streets and roads, including, but not limited to, bridge replacement and railroad grade separations. Consistent with Provision 2 of Item 2660-110-0042 of Section 2.00 of the Budget Act of 2016, as amended by Chapter 7 of the Statutes of 2017, three projects shall be reserved for and selected by the Riverside County Transportation Commission, with the first priority for the projects listed in that budget item.

SEC. 9. Section 99312.1 of the Public Utilities Code is amended to read:

99312.1. (a) Revenues transferred to the Public Transportation Account pursuant to Sections 6051.8 and 6201.8 of the Revenue and Taxation Code for the State Transit Assistance Program are hereby continuously appropriated to the Controller for allocation as follows:

(1) Fifty percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314.

(2) Fifty percent for allocation to transportation agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board for purposes of Section 99313.

(b) For purposes of this chapter, the revenues allocated pursuant to this section shall be subject to the same requirements as revenues allocated pursuant to subdivisions (b) and (c), as applicable, of Section 99312.

(c) The revenues transferred to the Public Transportation Account for the State Transit Assistance Program that are attributable to subdivision (a) of Section 11053 of the Revenue and Taxation Code are hereby continuously appropriated to the Controller, and, upon allocation pursuant to Sections 99313 and 99314, shall only be expended on the following:

(1) Transit capital projects or services to maintain or repair a transit operator's existing transit vehicle fleet or existing transit facilities, including rehabilitation or modernization of existing vehicles or facilities.

(2) The design, acquisition, and construction of new vehicles or facilities that improve existing transit services.

(3) Transit services that complement local efforts for repair and improvement of local transportation infrastructure.

(d) (1) Prior to receiving an apportionment of funds pursuant to subdivision (c) from the Controller in a fiscal year, a recipient transit agency shall submit to the Department of Transportation a list of projects proposed to be funded with these funds. The list of projects proposed to be funded with these funds shall include a description and location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement. The project list shall not limit the flexibility of a recipient transit agency to fund projects in accordance with local needs and priorities so long as the projects are consistent with subdivision (c).

(2) The department shall report to the Controller the recipient transit agencies that have submitted a list of projects as described in this subdivision and that are therefore eligible to receive an apportionment of funds for the applicable fiscal year. The Controller, upon receipt of the report, shall apportion funds quarterly pursuant to Sections 99313 and 99314.

(e) For each fiscal year, each recipient transit agency receiving an apportionment of funds pursuant to subdivision (c) shall, upon expending those funds, submit documentation to the department that includes a description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvement.

(f) The audit of transit operator finances required pursuant to Section 99245 shall verify that the revenues identified in subdivision (c) have been expended in conformance with these specific requirements and all other generally applicable requirements.

SEC. 10. Section 99314.9 of the Public Utilities Code is amended to read:

99314.9. Commencing with the 2017–18 fiscal year, for the estimates described in Section 99312.7, the Controller shall publish the allocations for each eligible recipient agency, including one list applicable to revenues

allocated pursuant to subdivision (c) of Section 99312.1 and another list for revenues allocated from all other revenues in the Public Transportation Account that are designated for the State Transit Assistance Program.

SEC. 11. Section 11050 of the Revenue and Taxation Code is amended to read:

11050. For purposes of this chapter, the following terms have the following meanings:

(a) “Transportation purposes” means both of the following:

(1) The research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for nonmotorized traffic), including the mitigation of their environmental effects, the payment for property taken or damaged for the foregoing purposes, and the administrative costs necessarily incurred in the foregoing purposes.

(2) The research, planning, construction, improvement, maintenance, and operation of public transportation systems (and their related equipment and fixed facilities), including the mitigation of their environmental effects, the payment for property taken or damaged for the foregoing purposes, and the administrative costs necessarily incurred in the foregoing purposes.

(b) “Transportation improvement fee” means a supplemental charge added to the fee imposed pursuant to Chapter 2 (commencing with Section 10751).

(c) “Vehicle” means every vehicle that is subject to the fee in Chapter 2 (commencing with Section 10751), except the following:

(1) A commercial vehicle with an unladen weight of more than 10,000 pounds.

(2) A vehicle exempted pursuant to the Vehicle Code from the payment of registration fees.

(3) A vehicle for which a certificate of nonoperation has been filed with the Department of Motor Vehicles pursuant to Section 4604 of the Vehicle Code, during the period of time covered by the certificate.

(4) A vehicle described in Section 5004 of the Vehicle Code.

(5) A vehicle issued apportioned registration pursuant to the International Registration Plan.

SEC. 12. Section 11051 of the Revenue and Taxation Code is amended to read:

11051. (a) In addition to any other fee imposed on a vehicle by this code or the Vehicle Code, a transportation improvement fee is hereby imposed on each vehicle as defined in subdivision (c) of Section 11050 effective on January 1, 2018, or as soon after that date as the department is able to commence collection of the fee. The transportation improvement fee shall be in the amounts specified in Section 11052.

(b) The department shall collect the fee at the same time and in the same manner as the department collects the vehicle registration fee pursuant to Section 9250 of the Vehicle Code.

(c) The fee imposed pursuant to this chapter is imposed for the privilege of a resident of California to operate upon the public highways a vehicle or

trailer coach, the registrant of which is subject to the fee under Chapter 2 (commencing with Section 10751).

(d) The revenues from the transportation improvement fee imposed by this chapter shall be available for expenditure only on transportation purposes as provided in Section 11053.

SEC. 13. Section 11053 of the Revenue and Taxation Code is amended to read:

11053. Revenues from the transportation improvement fee, after deduction of the department's administrative costs related to this chapter, shall be transferred by the department to the Controller for deposit as follows:

(a) Commencing with the 2017–18 fiscal year, three hundred fifty million dollars (\$350,000,000), plus an annual increase for inflation as determined in subdivision (b) of Section 11052 for this proportional share, shall annually be deposited into the Public Transportation Account. The Controller shall, each month, transfer one-twelfth of this amount, except in the 2017–18 fiscal year, when the Controller shall transfer one-sixth of this amount, to accumulate a total of three hundred fifty million dollars (\$350,000,000) plus the inflation adjustment amount in each fiscal year. The Controller may adjust the amount transferred in the final month or months of each fiscal year if necessary to achieve the annual amount specified in this subdivision. For each fiscal year commencing with the 2017–18 fiscal year, the annual Budget Act shall include an appropriation for 70 percent of these revenues to be allocated to the Transit and Intercity Rail Capital Program (Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code), pursuant to Section 99312.4 of the Public Utilities Code. The remaining 30 percent of these revenues shall be continuously appropriated to the Controller for allocation under the State Transit Assistance program, pursuant to subdivision (c) of Section 99312.1 of the Public Utilities Code.

(b) Commencing with the 2017–18 fiscal year, two hundred fifty million dollars (\$250,000,000) shall annually be deposited into the State Highway Account for appropriation by the annual Budget Act to the Congested Corridor Program created pursuant to Section 2391 of the Streets and Highways Code. The Controller shall, each month, transfer one-twelfth of this amount, except in the 2017–18 fiscal year, when the Controller shall transfer one-sixth of this amount, to accumulate a total of two hundred fifty million dollars (\$250,000,000) in each fiscal year. The Controller may adjust the amount transferred in the final month or months of each fiscal year if necessary to achieve the annual amount specified in this subdivision.

(c) The remaining revenues after the transfers made in subdivisions (a) and (b) shall be deposited into the Road Maintenance and Rehabilitation Account created pursuant to Section 2031 of the Streets and Highway Code.

SEC. 14. Section 60050 of the Revenue and Taxation Code is amended to read:

60050. (a) (1) A tax of sixteen cents (\$0.16) is hereby imposed upon each gallon of diesel fuel subject to the tax in Sections 60051, 60052, and 60058.

(2) If the federal fuel tax is reduced below the rate of fifteen cents (\$0.15) per gallon and federal financial allocations to this state for highway and exclusive public mass transit guideway purposes are reduced or eliminated correspondingly, the tax rate imposed by paragraph (1) shall be increased by an amount so that the combined state rate under paragraph (1) and the federal tax rate per gallon equal what it would have been in the absence of the federal reduction.

(3) If any person or entity is exempt or partially exempt from the federal fuel tax at the time of a reduction, the person or entity shall continue to be exempt under this section.

(b) On and after November 1, 2017, in addition to the tax imposed pursuant to subdivision (a), an additional tax of twenty cents (\$0.20) is hereby imposed upon each gallon of diesel fuel subject to the tax in Sections 60051, 60052, and 60058.

(c) On July 1, 2020, and every July 1 thereafter, the State Board of Equalization shall adjust the taxes imposed by subdivisions (a), and (b), with the adjustment to apply to both to the base tax rates specified in those provisions and to any previous adjustment in rates made pursuant to this subdivision, by increasing the taxes by a percentage amount equal to the increase in the California Consumer Price Index, as calculated by the Department of Finance with the resulting taxes rounded to the nearest one-tenth of one cent (\$0.01). The first adjustment pursuant to this subdivision shall be a percentage amount equal to the increase in the California Consumer Price Index from November 1, 2017, to November 1, 2019. Subsequent annual adjustments shall cover subsequent 12 month periods. The incremental change shall be added to the associated rate for that year.

(d) Any changes to the taxes imposed under this section that are enacted by legislation subsequent to July 1, 2017, shall be deemed to be changes to the base tax rates for purposes of the California Consumer Price Index calculation and adjustment performed pursuant to subdivision (c).

SEC. 15. Section 2032 of the Streets and Highways Code is amended to read:

2032. (a) (1) After deducting the amounts appropriated in the annual Budget Act, as provided in Section 2031.5, two hundred million dollars (\$200,000,000) of the remaining revenues deposited in the Road Maintenance and Rehabilitation Account shall be set aside annually for local or regional transportation agencies that have sought and received voter approval of taxes or that have imposed fees, including uniform developer fees as defined by subdivision (b) of Section 8879.67 of the Government Code, which taxes or fees are dedicated solely to transportation improvements. The Controller shall each month set aside one-twelfth of this amount, except in fiscal year 2017–18, the Controller shall set aside one-eighth of this amount, to accumulate a total of two hundred million dollars (\$200,000,000) in each fiscal year. The Controller may adjust the amount in the final month or months of each fiscal year if necessary to achieve the annual amount specified in this subdivision.



(2) Eligible projects under this subdivision shall include, but not be limited to, sound walls for a freeway that was built prior to 1987 without sound walls and with or without high occupancy vehicle lanes if the completion of the sound walls has been deferred due to lack of available funding for at least 20 years and a noise barrier scope summary report has been completed within the last 20 years.

(3) Notwithstanding Section 13340 of the Government Code, the funds available under this subdivision in each fiscal year are hereby continuously appropriated for allocation by the commission for road maintenance and rehabilitation and other transportation improvement projects pursuant to Section 2033.

(b) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amount allocated in subdivision (a), beginning in the 2017–18 fiscal year, one hundred million dollars (\$100,000,000) of the remaining revenues shall be available annually for expenditure, upon appropriation by the Legislature, on the Active Transportation Program created pursuant to Chapter 8 (commencing with Section 2380) of Division 3 to be allocated by the California Transportation Commission pursuant to Section 2381. The Controller shall each month set aside one-twelfth of this amount, except in the 2017–18 fiscal year, when the Controller shall set aside one-eighth of this amount, to accumulate a total of one hundred million dollars (\$100,000,000) in each fiscal year. The Controller may adjust the amount in the final month or months of each fiscal year if necessary to achieve the annual amount specified in this subdivision.

(c) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a) and (b), beginning in the 2017–18 fiscal year, four hundred million dollars (\$400,000,000) of the remaining revenues shall be available annually for expenditure, upon appropriation by the Legislature, by the department for bridge and culvert maintenance and rehabilitation. The Controller shall each month set aside one-twelfth of this amount, except in the 2017–18 fiscal year, when the Controller shall set aside one-eighth of this amount, to accumulate a total of four hundred million dollars (\$400,000,000) in each fiscal year. The Controller may adjust the amount in the final month or months of each fiscal year if necessary to achieve the annual amount specified in this subdivision.

(d) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a), (b), and (c), beginning in the 2017–18 fiscal year, twenty-five million dollars (\$25,000,000) of the remaining revenues shall be transferred annually to the State Highway Account for expenditure, upon appropriation by the Legislature, to supplement the freeway service patrol program. The Controller shall each month set aside one-twelfth of this amount, except in the 2017–18 fiscal year, when the Controller shall set aside one-eighth of this amount, to accumulate a total of twenty-five million dollars (\$25,000,000) in each fiscal year. The Controller may adjust the amount in

the final month or months of each fiscal year if necessary to achieve the annual amount specified in this subdivision.

(e) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a), (b), (c), and (d), in the 2017–18, 2018–19, 2019–20, 2020–21, and 2021–22 fiscal years, from revenues in the Road Maintenance and Rehabilitation Account that are not subject to Article XIX of the California Constitution, five million dollars (\$5,000,000) shall be appropriated in each fiscal year to the California Workforce Development Board to assist local agencies to implement policies to promote preapprenticeship training programs to carry out the projects that are funded by the account pursuant to Section 2038. Funds appropriated pursuant to this subdivision in the Budget Act but remaining unexpended at the end of each applicable fiscal year shall be reappropriated for the same purposes in the following year's Budget Act, but all funds appropriated or reappropriated pursuant to this subdivision in the Budget Act shall be liquidated no later than June 30, 2027.

(f) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a), (b), (c), (d), and (e), beginning in the 2017–18 fiscal year, twenty-five million dollars (\$25,000,000) of the remaining revenues shall be available annually for expenditure, upon appropriation by the Legislature, by the department for local planning grants, as described in Section 2033.5. The Controller shall each month set aside one-twelfth of this amount, except in the 2017–18 fiscal year, when the Controller shall set aside one-eighth of this amount, to accumulate a total of twenty-five million dollars (\$25,000,000) in each fiscal year. The Controller may adjust the amount in the final month or months of each fiscal year if necessary to achieve the annual amount specified in this subdivision.

(g) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a), (b), (c), (d), (e), and (f), beginning in the 2017–18 fiscal year and each fiscal year thereafter, from the remaining revenues, five million dollars (\$5,000,000) shall be available, upon appropriation, to the University of California for the purpose of conducting transportation research and two million dollars (\$2,000,000) shall be available, upon appropriation, to the California State University for the purpose of conducting transportation research and transportation-related workforce education, training, and development. Prior to the start of each fiscal year, the Secretary of Transportation and the chairs of the Assembly Committee on Transportation and the Senate Committee on Transportation and Housing may set out a recommended priority list of research components to be addressed in the upcoming fiscal year.

(h) Notwithstanding Section 13340 of the Government Code, the balance of the revenues deposited in the Road Maintenance and Rehabilitation Account are hereby continuously appropriated as follows:

(1) Fifty percent for allocation to the department for maintenance of the state highway system or for purposes of the state highway operation and protection program.

(2) Fifty percent for apportionment to cities and counties by the Controller pursuant to the formula in clauses (i) and (ii) of subparagraph (C) of paragraph (3) of subdivision (a) of Section 2103 for the purposes authorized by this chapter.

SEC. 16. Section 2032.5 of the Streets and Highways Code is amended to read:

2032.5. (a) It is the intent of the Legislature that the Department of Transportation and local governments are held accountable for the efficient investment of public funds to maintain the public highways, streets, and roads, and are accountable to the people through performance goals that are tracked and reported.

(b) The department shall annually report to the commission relative to the expenditures made with funds received pursuant to subdivision (c) of, and paragraph (1) of subdivision (h) of, Section 2032, and the progress made and achievement of the performance goals outlined in subdivision (n) of Section 1 of the act adding this section.

(c) For each fiscal year in which the department receives an allocation of funds described in subdivision (b), the department shall submit documentation to the commission that includes a description and the location of each completed project, the amount of funds expended on the project, the completion date, and the project's estimated useful life. Annually, the commission shall evaluate the effectiveness of the department in reducing deferred maintenance and improving road conditions on the state highway system, as demonstrated by the progress made by the goals set forth in subdivision (n) of Section 1 of the act enacting this section. The commission may make recommendations for improvement and may withhold future project allocations if it determines program funds are not being appropriately spent. The commission shall annually include any findings in its annual report to the Legislature pursuant to Section 14535 of the Government Code.

(d) The department shall implement efficiency measures with the goal to generate at least one hundred million dollars (\$100,000,000) per year in savings to invest in maintenance and rehabilitation of the state highway system. These savings shall be reported to the commission.

SEC. 17. Section 2033.5 of the Streets and Highways Code is amended to read:

2033.5. The department, from funds made available pursuant to subdivision (f) of Section 2032, shall allocate local planning grants to encourage local and regional planning that furthers state goals, including, but not limited to, the goals and best practices cited in the regional transportation plan guidelines adopted by the commission pursuant to Sections 14522 to 14522.3, inclusive, of the Government Code. The department shall develop a grant guide and shall consult with the State Air Resources Board, the Governor's Office of Planning and Research, and the Department of Housing and Community Development in the development

of the grant guide, and shall provide status reports as it administers these funds. The grant guide shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

SEC. 18. Section 2036 of the Streets and Highways Code is amended to read:

2036. (a) Cities and counties shall maintain their existing commitment of local funds for street, road, and highway purposes in order to remain eligible for an allocation or apportionment of funds pursuant to Section 2032.

(b) In order to receive an allocation or apportionment pursuant to Section 2032, the city or county shall annually expend from its general fund for street, road, and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 2009–10, 2010–11, and 2011–12 fiscal years, as reported to the Controller pursuant to Section 2151. For purposes of this subdivision, in calculating a city's or county's annual general fund expenditures and its average general fund expenditures for the 2009–10, 2010–11, and 2011–12 fiscal years, any unrestricted funds that the city or county may expend at its discretion, including vehicle in-lieu tax revenues and revenues from fines and forfeitures, expended for street, road, and highway purposes shall be considered expenditures from the general fund. One-time allocations that have been expended for street and highway purposes, but which may not be available on an ongoing basis, including revenue provided under the Teeter Plan Bond Law of 1994 (Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5 of the Government Code), may not be considered when calculating a city's or county's annual general fund expenditures.

(c) For any city incorporated after July 1, 2009, the Controller shall calculate an annual average expenditure for the period between July 1, 2009, and December 31, 2015, inclusive, that the city was incorporated.

(d) For purposes of subdivision (b), the Controller may request fiscal data from cities and counties in addition to data provided pursuant to Section 2151, for the 2009–10, 2010–11, and 2011–12 fiscal years. Each city and county shall furnish the data to the Controller not later than 120 days after receiving the request. The Controller may withhold payment to cities and counties that do not comply with the request for information or that provide incomplete data.

(e) The Controller may perform audits to ensure compliance with subdivision (b) when deemed necessary. Any city or county that has not complied with subdivision (b) shall reimburse the state for the funds it received during that fiscal year. Any funds returned as a result of a failure to comply with subdivision (b) shall be reapportioned to the other counties and cities whose expenditures are in compliance.

(f) If a city or county fails to comply with the requirements of subdivision (b) in a particular fiscal year, the city or county may expend during that fiscal year and the following fiscal year a total amount that is not less than

the total amount required to be expended for those fiscal years for purposes of complying with subdivision (b).

SEC. 19. Section 2106 of the Streets and Highways Code is amended to read:

2106. Notwithstanding Section 13340 of the Government Code, a sum equal to the net revenue derived from 5.8 percent of the per gallon tax under the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301) of Division 2 of the Revenue and Taxation Code) shall be apportioned monthly from the Highway Users Tax Account in the Transportation Tax Fund among the counties and cities as follows:

(a) Four hundred dollars (\$400) per month shall be apportioned to each city and city and county and eight hundred dollars (\$800) per month shall be apportioned to each county and city and county.

(b) On the last day of each month, the sum of six hundred thousand dollars (\$600,000) shall be transferred to the State Highway Account in the State Transportation Fund for the Active Transportation Program pursuant to Chapter 8 (commencing with Section 2380). For each month in the 2013–14 fiscal year that has passed prior to the enactment of the bill adding this sentence, six hundred thousand dollars (\$600,000) shall be immediately transferred from the Bicycle Transportation Account to the State Highway Account in the State Transportation Fund for the Active Transportation Program, less any amount already expended for that program from the Bicycle Transportation Account during the 2013–14 fiscal year.

(c) The balance shall be apportioned, as follows:

(1) A base sum shall be computed for each county by using the same proportions of fee-paid and exempt vehicles as are established for purposes of apportionment of funds under subdivision (d) of Section 2104.

(2) For each county, the percentage of the total assessed valuation of tangible property subject to local tax levies within the county which is represented by the assessed valuation of tangible property outside the incorporated cities of the county shall be applied to its base sum, and the resulting amount shall be apportioned to the county. The assessed valuation of taxable tangible property, for purposes of this computation, shall be that most recently used for countywide tax levies as reported to the Controller by the State Board of Equalization. If an incorporation or annexation is legally completed following the base sum computation, the new city's assessed valuation shall be deducted from the county's assessed valuation, the estimate of which may be provided by the State Board of Equalization.

(3) The difference between the base sum for each county and the amount apportioned to the county shall be apportioned to the cities of that county in the proportion that the population of each city bears to the total population of all the cities in the county. Populations used for determining apportionment of money under Section 2107 are to be used for purposes of this section.

(d) (1) Transfers of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected during the months of March, April, May, June, and July of 2008, shall be made with the transfer

of August 2008 revenues in September of 2008. This suspension shall not apply to a county with a population of less than 40,000.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city or county may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads or the county road fund, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (hereafter bond act)) for local streets and roads maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds, provided the cash is replaced once this suspension is repaid in September of 2008. Counties and cities may accrue the revenue received in September 2008 as repayment of these suspensions for the months of April, May, and June of 2008 back to the 2007–08 fiscal year. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all the requirements of those funding sources.

(e) (1) The transfer of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected during the months of January, February, and March 2009, shall be made with the transfer of April 2009 revenues in May 2009.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city or county may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads or the county road fund, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (bond act)) for local streets and roads maintenance, during the period of this suspension, and the use of this cash shall not be considered as an expenditure of bond act funds, if the cash is replaced when the payments that are suspended pursuant to this subdivision are repaid in May 2009.

(3) This subdivision shall not affect any requirement that an expenditure is required to be accrued and reflected from the appropriate funding source for which the money was received and to meet all the requirements of its funding source.

SEC. 20. Section 2382 of the Streets and Highways Code is amended to read:

2382. (a) The California Transportation Commission shall develop guidelines and project selection criteria for the Active Transportation Program in consultation with the Active Transportation Program Workgroup, which shall be formed for purposes of providing guidance on matters including, but not limited to, development of and subsequent revisions to program guidelines, schedules and procedures, project selection criteria,

performance measures, and program evaluation. The workgroup shall include, but not be limited to, representatives of government agencies and active transportation stakeholder organizations with expertise in pedestrian and bicycle issues, including Safe Routes to School programs.

(b) The guidelines shall be the complete and full statement of the policies and criteria that the commission intends to use in selecting projects to be included in the program. The guidelines shall address subjects that include, but are not limited to, project eligibility, application timelines, application rating and ranking criteria, project monitoring, reporting, and transparency, and project performance measurement.

(c) The guidelines shall include a process to ensure that no less than 25 percent of overall program funds benefit disadvantaged communities during each program cycle. The guidelines shall establish a program definition for disadvantaged communities that may include, but need not be limited to, the definition in Section 39711 of the Health and Safety Code and the definition of low-income schools in paragraph (7) of subdivision (b) of former Section 2333.5, as that section read on January 1, 2013. A project eligible under this subdivision shall clearly demonstrate a benefit to a disadvantaged community or be directly located in a disadvantaged community.

(d) The guidelines shall allow streamlining of project delivery by authorizing an implementing agency to seek commission approval of a letter of no prejudice that will allow the agency to expend its own funds for a project programmed in a future year of the adopted program of projects, in advance of allocation of funds to the project by the commission, and to be reimbursed at a later time for eligible expenditures.

(e) The California Transportation Commission shall adopt the guidelines and selection criteria for, and define the types of projects eligible to be funded through, the program following at least two public hearings. Projects funded in this program shall be limited to active transportation projects. The guidelines shall ensure that eligible projects meet one or more of the goals set forth in Section 2380 and may give increased weight to projects meeting multiple goals.

(f) In developing the guidelines with regard to project eligibility, the commission shall include, but need not be limited to, the following project types:

- (1) Development of new bikeways and walkways, or improvements to existing bikeways and walkways, that improve mobility, access, or safety for nonmotorized users.
- (2) Secure bicycle parking at employment centers, park and ride lots, rail and transit stations, and ferry docks and landings.
- (3) Bicycle-carrying facilities on public transit, including rail and ferries.
- (4) Installation of traffic control devices to improve the safety of pedestrians and bicyclists.
- (5) Elimination of hazardous conditions on existing bikeways and walkways.
- (6) Maintenance of bikeways and walkways.

(7) Recreational trails and trailheads, park projects that facilitate trail linkages or connectivity to nonmotorized corridors, and conversion of abandoned railroad corridors to trails.

(8) Safe Routes to School projects that improve the safety of children walking and bicycling to school, in accordance with Section 1404 of Public Law 109-59.

(9) Safe routes to transit projects, which will encourage transit by improving biking and walking routes to mass transportation facilities and schoolbus stops.

(10) Educational programs to increase biking and walking, and other noninfrastructure investments that demonstrate effectiveness in increasing active transportation.

(g) In developing the guidelines with regard to project selection, the commission shall include, but need not be limited to, the following criteria:

(1) Demonstrated needs of the applicant.

(2) Potential for reducing pedestrian and bicyclist injuries and fatalities.

(3) Potential for encouraging increased walking and bicycling, especially among students.

(4) Identification of safety hazards for pedestrians and bicyclists.

(5) Identification of walking and bicycling routes to and from schools, transit facilities, and community centers.

(6) Identification of the local public participation process that culminated in the project proposal, which may include noticed public meetings and consultation with local stakeholders.

(7) Benefit to disadvantaged communities. In developing guidelines relative to this paragraph, the commission shall consider, but need not be limited to, the definition of disadvantaged communities as applied pursuant to subdivision (c).

(8) Cost-effectiveness, defined as maximizing the impact of the funds provided.

(9) The adoption by a city or county applicant of a bicycle transportation plan, pursuant to Section 891.2, a pedestrian plan, a safe routes to school plan, or an overall active transportation plan.

(10) Use of the California Conservation Corps or a qualified community conservation corps, as defined in Section 14507.5 of the Public Resources Code, as partners to undertake or construct applicable projects in accordance with Section 1524 of Public Law 112-141.

(11) Other factors, such as potential for reducing congestion, improving air quality, reducing greenhouse gas emissions, and increasing and improving connectivity and mobility of nonmotorized users.

(h) For the use of federal Transportation Alternative Program funds, or other federal funds, commission guidelines shall meet all applicable federal requirements.

(i) For the use of federal Highway Safety Improvement Program funds for active transportation projects specific to reducing fatalities and serious injuries, the criteria for the selection of projects shall be based on a



data-driven process that is aligned with the state's Strategic Highway Safety Plan.

(j) The guidelines may include incentives intended to maximize the potential for attracting funds other than program funds for eligible projects.

(k) In reviewing and selecting projects funded by federal funds in the Recreational Trails Program, the commission shall collaborate with the Department of Parks and Recreation to evaluate proposed projects, and to ensure federal requirements are met.

(l) To ensure that regional agencies charged with allocating funds to projects pursuant to paragraph (1) of subdivision (a) of Section 2381 have sufficient discretion to develop regional guidelines, the commission may adopt separate guidelines for the state and for the regional agencies relative to subdivision (g).

SEC. 21. Section 4156 of the Vehicle Code is amended to read:

4156. (a) Notwithstanding any other provision of this code, and except as provided in subdivision (b), the department in its discretion may issue a temporary permit to operate a vehicle when a payment of fees has been accepted in an amount to be determined by, and paid to the department, by the owner or other person in lawful possession of the vehicle. The permit shall be subject to the terms and conditions, and shall be valid for the period of time, that the department shall deem appropriate under the circumstances.

(b) (1) The department shall not issue a temporary permit pursuant to subdivision (a) to operate a vehicle for which a certificate of compliance is required pursuant to Section 4000.3, and for which that certificate of compliance has not been issued, unless the department is presented with sufficient evidence, as determined by the department, that the vehicle has failed its most recent smog check inspection.

(2) Only one temporary permit may be issued pursuant to this subdivision to a vehicle owner in a two-year period.

(3) A temporary permit issued pursuant to paragraph (1) is valid for either 60 days after the expiration of the registration of the vehicle or 60 days after the date that vehicle is removed from nonoperation, whichever is applicable at the time that the temporary permit is issued.

(4) A temporary permit issued pursuant to paragraph (1) is subject to Section 9257.5.

(c) (1) The department may issue a temporary permit pursuant to subdivision (a) to operate a vehicle for which registration may be refused pursuant to Section 4000.15.

(2) Only one temporary permit may be issued pursuant to this subdivision for any vehicle, unless otherwise approved by the State Air Resources Board.

(3) A temporary permit issued pursuant to paragraph (1) is valid for either 90 days after the expiration of the registration of the vehicle or 90 days after the date that vehicle is removed from nonoperation, whichever is applicable at the time the temporary permit is issued.

SEC. 22. Section 9250.6 of the Vehicle Code is amended to read:

9250.6. (a) In addition to any other fees specified in this code, or the Revenue and Taxation Code, commencing July 1, 2020, a road improvement

fee of one hundred dollars (\$100) shall be paid to the department for registration or renewal of registration of every zero-emission motor vehicle model year 2020 and later subject to registration under this code, except those motor vehicles that are expressly exempted under this code from payment of registration fees.

(b) On January 1, 2021, and every January 1 thereafter, the Department of Motor Vehicles shall adjust the road improvement fee imposed under subdivision (a) by increasing the fee in an amount equal to the increase in the California Consumer Price Index for the prior year, except the first adjustment shall cover the prior six months, as calculated by the Department of Finance, with amounts equal to or greater than fifty cents (\$0.50) rounded to the highest whole dollar. The incremental change shall be added to the associated fee rate for that year.

(c) Any changes to the road improvement fee imposed by subdivision (a) that are enacted by legislation subsequent to July 1, 2017, shall be deemed to be changes to the base fee rate for purposes of the California Consumer Price Index calculation and adjustment performed pursuant to subdivision (b).

(d) Revenues from the road improvement fee, after deduction of the department's administrative costs related to this section, shall be deposited in the Road Maintenance and Rehabilitation Account created pursuant to Section 2031 of the Streets and Highways Code.

(e) This section does not apply to a commercial motor vehicle subject to Section 9400.1.

(f) This section does not apply to a vehicle issued apportioned registration pursuant to the International Registration Plan.

(g) The road improvement fee required pursuant to this section does not apply to the initial registration after the purchase of a new zero-emission motor vehicle.

(h) For purposes of this section, "zero-emission motor vehicle" means a motor vehicle as described in subdivision (d) of Section 44258 of the Health and Safety Code.

SEC. 23. Section 12800.7 of the Vehicle Code is amended to read:

12800.7. (a) Upon application for an original, renewal, or duplicate of a driver's license the department may require the applicant to produce any identification that it determines is necessary in order to ensure that the name of the applicant stated in the application is his or her true, full name and that his or her residence address as set forth in the application is his or her true residence address.

(b) Notwithstanding any other law, any document provided by the applicant to the department for purposes of proving his or her identity, true, full name, California residency, or that the applicant's presence in the United States is authorized under federal law, is not a public record and may not be disclosed by the department except when requested by a law enforcement agency as part of an investigation.

SEC. 24. Section 12811 of the Vehicle Code is amended to read:

12811. (a) (1) (A) When the department determines that the applicant is lawfully entitled to a license, it shall issue to the person a driver's license as applied for. The license shall state the class of license for which the licensee has qualified and shall contain the distinguishing number assigned to the applicant, the date of expiration, the true full name, age, and mailing address or residence address of the licensee, a brief description and engraved picture or photograph of the licensee for the purpose of identification, and space for the signature of the licensee.

(B) Each license shall also contain a space for the endorsement of a record of each suspension or revocation of the license.

(C) The department shall use whatever process or processes, in the issuance of engraved or colored licenses, that prohibit, as near as possible, the ability to alter or reproduce the license, or prohibit the ability to superimpose a picture or photograph on the license without ready detection.

(2) In addition to the requirements of paragraph (1), a license issued to a person under 18 years of age shall display the words "provisional until age 18."

(b) (1) On and after July 1, 2011, an application for an original or renewal driver's license or identification card shall contain a space for the applicant to enroll in the Donate Life California Organ and Tissue Donor Registry. The application shall include check boxes for an applicant to mark either (A) Yes, add my name to the donor registry or (B) I do not wish to register at this time.

(2) The department shall inquire verbally of an applicant applying in person for an original or renewal driver's license or identification card at a department office as to whether the applicant wishes to enroll in the Donate Life California Organ and Tissue Donor Registry. Failure or refusal to answer this question or check a box on the application form shall not be a basis for the department to deny an applicant a driver's license or identification card.

(3) The following language shall be included with the question required by paragraph (1):

"Marking 'Yes' adds your name to the Donate Life California Organ and Tissue Donor Registry and a pink 'donor' dot will appear on your license. If you wish to remove your name from the registry you must contact Donate Life California (see back); DMV can remove the pink dot from your licenses but cannot remove you from the registry."

(4) The back of the application shall contain the following statement:

"If, on the front of this form, you marked 'Yes' to register as an organ and tissue donor you are legally authorizing the recovery of organs and tissues in the event of your death. Registering as a donor will not affect your medical treatment in any way. As outlined in the California Anatomical Gift Act, your authorization is legally binding and, unless the donor is under 18 years of age, your decision does not require the consent of any other

person. For registered donors under 18 years of age, the legal guardian shall make the final donation decision. You may limit your donation to specific organs or tissues, place usage restrictions, for example transplantation or research, obtain more information about donation, or remove your name from the registry on the Internet Web site of Donate Life California: [www.donateLIFecalifornia.org](http://www.donateLIFecalifornia.org).”

(5) Notwithstanding any other law, a person under 18 years of age may register as a donor. However, the legal guardian of that person shall make the final decision regarding the donation.

(6) The department shall collect donor designation information on all applications for an original or renewal driver’s license or identification card.

(7) The department shall print the word “DONOR” or another appropriate designation on the face of a driver’s license or identification card to a person who has indicated on the application his or her intent to enroll in the organ donation program pursuant to this section.

(8) On a weekly basis, the department shall electronically transmit to Donate Life California, a nonprofit organization established and designated as the California Organ and Tissue Donor Registrar pursuant to Section 7150.90 of the Health and Safety Code, all of the following information from every application that indicates the applicant’s decision to enroll in the organ donation program:

(A) His or her true full name.

(B) His or her residence or mailing address.

(C) His or her year of birth.

(D) His or her California driver’s license number or identification card number.

(9) (A) A person who applies for an original or renewal driver’s license or identification card may designate a voluntary contribution of two dollars (\$2) for the purpose of promoting and supporting organ and tissue donation. This contribution shall be collected by the department, and treated as a voluntary contribution to Donate Life California and not as a fee for the issuance of a driver’s license or identification card.

(B) The department may use the donations collected pursuant to this paragraph to cover its actual administrative costs incurred pursuant to paragraphs (6) to (8), inclusive. The department shall deposit all revenue derived pursuant to this paragraph and remaining after the department’s deduction for administrative costs in the Donate Life California Trust Subaccount, that is hereby created in the Motor Vehicle Account in the State Transportation Fund. Notwithstanding Section 13340 of the Government Code, all revenue in this subaccount is continuously appropriated, without regard to fiscal years, to the Controller for allocation to Donate Life California and shall be expended for the purpose of increasing participation in organ donation programs.

(C) The department shall transmit to the Donate Life California Organ and Tissue Donor Registry and the appropriate policy and fiscal committees of the Legislature an annual report, and shall make available quarterly

updates, detailing funds collected through voluntary contributions as well as a summary of applicants, including all of the following nonidentifiable information:

- (i) Date of application.
- (ii) Method of application (field office, online, or mail).
- (iii) Donor registration status.
- (iv) ZIP Code.
- (v) Gender.
- (vi) Year of birth.

(D) (i) The annual report to be submitted to the appropriate policy and fiscal committees of the Legislature pursuant to subparagraph (C) shall be submitted in compliance with Section 9795 of the Government Code.

(ii) Pursuant to Section 10231.5 of the Government Code, the requirement for submitting the annual report to the appropriate policy and fiscal committees of the Legislature imposed under subparagraph (C) is inoperative four years after the date the first annual report is due.

(10) The enrollment form shall be posted on the Internet Web sites for the department and the California Health and Human Services Agency.

(11) The enrollment shall constitute a legal document pursuant to the Uniform Anatomical Gift Act (Chapter 3.5 (commencing with Section 7150) of Part 1 of Division 7 of the Health and Safety Code) and shall remain binding after the donor's death despite any express desires of next of kin opposed to the donation. Except as provided in paragraph (5) of subdivision (b), the donation does not require the consent of any other person.

(12) Donate Life California shall ensure that all additions and deletions to the California Organ and Tissue Donor Registry, established pursuant to Section 7150.90 of the Health and Safety Code, shall occur within 30 days of receipt.

(13) Information obtained by Donate Life California for the purposes of this subdivision shall be used for these purposes only and shall not be disseminated further by Donate Life California.

(c) (1) All applications for a driver's license or identification card shall contain a space for an applicant to indicate whether he or she has served in the Armed Forces of the United States and to give his or her consent to be contacted regarding eligibility to receive state or federal veterans benefits. The application shall contain the following statement:

“By marking the veteran box on this application, I certify that I am a veteran of the United States Armed Forces and that I want to receive veterans benefits information from the California Department of Veterans Affairs. By marking the veteran box on this application, I also consent to DMV transmitting my name and mailing address to the California Department of Veterans Affairs for this purpose only, and I certify that I have been notified that this transmittal will occur.”

(2) The department shall collect the information obtained pursuant to paragraph (1).

(3) As mutually agreed between the department and the Department of Veterans Affairs, the department shall electronically transmit to the Department of Veterans Affairs the following information on each applicant who has identified that he or she has served in the Armed Forces of the United States since the last data transfer and has consented to be contacted about veterans benefits:

(A) His or her true full name.

(B) His or her mailing address.

(4) Information obtained by the Department of Veterans Affairs for the purposes of this subdivision shall be used for the purpose of assisting individuals to access veterans benefits and shall not be disseminated except as needed for this purpose.

(5) Commencing November 11, 2015, an in-person application for a driver's license or identification card shall allow an applicant to request the word "VETERAN" be printed on the face of the driver's license or identification card. A verification form shall be developed by the Department of Veterans Affairs in consultation with the Department of Motor Vehicles and the California Association of County Veterans Service Officers to acknowledge verification of veteran status. A county veterans service office shall verify the veteran's status as a veteran, sign the verification form, and return it to the veteran. The Department of Motor Vehicles shall accept the signed verification form as proof of veteran status. Upon payment of the fee required pursuant to Section 14901.1, the word "VETERAN" shall be printed on the face of a driver's license or identification card, in a location determined by the department, and issued to a person who makes this request and presents the verification form to the department.

(d) A public entity or employee shall not be liable for loss, detriment, or injury resulting directly or indirectly from false or inaccurate information contained in the form provided pursuant to subdivision (b).

(e) A contract shall not be awarded to a nongovernmental entity for the processing of driver's licenses, unless the contract conforms to all applicable state contracting laws and all applicable procedures set forth in the State Contracting Manual.

SEC. 25. For any guidelines adopted by the Department of Transportation or the Transportation Agency to implement the Road Repair and Accountability Act of 2017, the guidelines shall be adopted only after the implementing state agency has posted formal draft guidelines on the agency's Internet Web site and conducted at least two public workshops or hearings on formal draft guidelines no sooner than 30 days after the formal draft guidelines are posted. Concurrent with the posting, the implementing state agency shall transmit the formal draft guidelines to the fiscal committees and to the appropriate policy committees of the Legislature. Nothing in this section precludes the implementing state agency from conducting additional public workshops or posting informal draft guidelines prior to posting formal guidelines in order to inform guideline development.

SEC. 26. Consistent with Provision 2 of Item 2660-110-0042 of Section 2.00 of the Budget Act of 2016, as amended by Chapter 7 of the Statutes

of 2017, the five projects listed in that item are part of the Riverside County Transportation Efficiency Corridor and for purposes of delivery streamlining demonstration, the following shall apply:

(a) Notwithstanding subdivision (a) of Section 130232 of the Public Utilities Code, the 91 Toll Connector to Interstate 15 North project may be implemented through any delivery method authorized in law, including, but not limited to, the design-build method or Construction Manager/General Contractor method.

(b) The project described in subdivision (a) may additionally be implemented through an amendment or change to any existing contract for the Interstate 15 express lanes construction project or the State Highway Route 91 express lanes, if the Riverside County Transportation Commission, with the concurrence of the Department of Transportation, finds that to be a cost-effective method to accelerate the delivery of that project.

SEC. 27. In regard to Section 4 of this act, the Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances regarding the sale of surplus residential properties for State Route 710, in the County of Los Angeles.

SEC. 28. In regard to Sections 5, 6, 8, and 26 of this act, the Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances regarding transportation projects in the County of Riverside.

SEC. 29. Notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made by Section 4 of this act and the state shall not reimburse any local agency for any property tax revenues lost by it pursuant to this act.

SEC. 30. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 31. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.